

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SSO-00 SS-15 SP-02 L-03 CPR-01
SY-05 EB-08 CIAE-00 INR-07 NSAE-00 INRE-00 HA-05
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FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC IMMEDIATE 7260

C O N F I D E N T I A L MOSCOW 01407

DEPT FOR EUR/SOV (EDGAR)

E.O. 11652: GDS
TAGS: ETRD, EEWT, UR
SUBJECT: RELOCATION OF INTOURIST OFFICES IN NEW YORK

REF: (A) STATE 020974, (B) MOSCOW 01267 (C) MOSCOW 01277

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1. A. F. TEDESCO, SENIOR MOSCOW REP FOR AMEXCO, CALLED ON COMATT EAN-
UARZS27 TO DISCUSS CURRENT STATE OF PLAY ON AMEXCO'S REQUEST FOR
BETTER OFFICE SPACE IN M
ECOW IN LIGHT OF INTOURIST DESIRE TO

RELOCATE IN NEW YORK. TEDESCO HAD WITH HIM A COPY OF LETTER DATED
JANUARY 10 FROM AMEXCO CHAIRMAN, JAMES D. ROBINSON, III, TO
CHAIRMAN OF INTOURIST, SERGEI NIKITIN, REQUESTING GROUND FLOOR
SPACE IN MOSCOW ON BASIS OF "EQUALITY." TEDESCO EXPLAINED THAT IN
EVENT SOVIETS WERE NOT ABLE TO COME UP WITH SUITABLE GROUND FLOOR
SPACE FOR NEW AMEXCO OFFICES THAT, AT VERY MINIMUM, COMPANY WOULD
INSIST ON AN OFFICE WITH "PUBLIC VISIBILITY. ACCORDING TO
TEDESCO, BASIC POINTS IN AMEXCO'S FALLBACK POSITION, INCLUDING
DESIDERATA WHCIH WOULD SATISFY "PUBLIC VISIBILITY" REQUIREMENT,
WERE:

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-- ACCESS TO PUBLIC DISPLAY WINDOW
-- DISPLAY OF AMERICAN EXPRESS SIGNS IN ALL INTOURIST HOTELS AND
BUREAUS IN MOSCOW
-- MENTION OF AMEXCO OFFICE AND FACILITIES IN ALL INTOURIST BRO-
CHURES DESSEMINATED TO FOREIGN TOURISTS IN MOSCOW
-- WRITTEN DECLARATION OF INTENT FROM INTOURIST AGREEING TO PRO-

VIDE AMEXCO WITH GROUND FLOOR OFFICE SPACE IN WORLD TRADE CENTER WHEN COMPLETED, AND

-- WRITTEN DECLARATION OF INTENT FROM INTOURIST THAT AMEXCO WOULD HAVE AN OFFICE, BOOTH OR OTHER "VISIBILITY" AT A "PROMINENT LOCATION," IN EITHER OLYMPIC VILLAGE ITSELF OR AT SITES WHERE GAMES WILL TAKE PLACE IN 1980.

3. TEDESCO FELT THAT SOVIETS WOULD NEED AT LEAST TO END OF FEBRUARY TO REACT TO ROBINSON LETTER AND TO COME UP WITH SOME OFFICE SPACE OFFERS. IF BY END OF FEBRUARY SOVIETS HAD BEEN UNABLE TO SATISFY AMEXCO'S PRIMARY POSITION, THEN THEY COULD AGREE TO BACK-UP POINTS AND STILL HAVE ONE MONTH BEFORE LEASE AT CURRENT INTOURIST LOCATION IN NEW YORK EXPIRES (END OF MARCH). WHEN COMATT TOLD TEDESCO ABOUT DEPARTMENT'S PLANS CONTAINED REFTEL (A), TEDESCO POINTED OUT THAT THERE IS A BUYER'S MARKET FOR OFFICE SPACE IN NEW YORK CITY RIGHT NOW AND IT WAS THEREFORE INCOMPREHENSIBLE THAT SOVIETS MIGHT BE ALLOWED TO FORCE PACE OF EVENTS ON BASIS OF AN ARTIFICIAL DEADLINE SET BY PROSPECTIVE FUTURE LANDLORD. TEDESCO SAID THAT IF INTOURIST WERE HELD TO END OF FEBRUARY BY DEPARTMENT, AMEXCO'S REAL ESTATE DEPARTMENT WOULD BE HAPPY TO ASSIST INTOURIST IN FINDING SUITABLE SPACE IN NEW YORK -- PERHAPS IN AMEXCO HEADQUARTERS BUILDING ITSELF -- IN TIME TO MEET LEASE EXPIRATION OF APRIL 1. END LIMITED OFFICIAL USE.

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4. COMMENT AND RECOMMENDED ACTION: EMBASSY AGREES THAT INTOURIST SHOULD NOT BE ALLOWED TO FORCE ISSUE ON BASIS OF LETTER FROM PUTATIVE FUTURE LANDLORD. IF PERMISSION IS GRANTED EVEN BEFORE INTOURIST IS OBLIGED TO CONSIDER CHAIRMAN ROBINSON'S LETTER, THEN AMEXCO HAS LITTLE REAL CHANCE OF A MEANINGFUL ALLEVIATION OF ITS CURRENT BELOW-PARITY OFFICE SITUATION. WHILE DEPARTMENT MAY HAVE MORE INFORMATION ON SUBJECT THAN WE, TEDESCO'S CLAIM THAT OFFICE SPACE IN NEW YORK IS PLENTIFUL RIGHT NOW SEEMS PALUSIBLE -- IN A CITY SIZE OF NEW YORK, THERE MUST SURELY BE MANY POSSIBILITIES FOR SUITABLE RELOCATION OF INTOURIST'S OFFICES. GIVEN SOVIETS' CAVALIER DISMISSAL OF AMEXCO'S PLEAS IN PAST FOR BETTER OFFICE LOCATION IN MOSCOW, WE DO NOT BELIEVE USG NEEDS NOT TO PERMIT INTOURIST TO OBTAIN EXACT LOCATION IT WANTS. AND THIS JUDGMENT EXTENDS EVEN TO SITUATION WHERE INTOURIST MIGHT FIND ITSELF FORCED TO ACCEPT SPACE NOT ON GROUND FLOOR. WE SEE NO JUSTICE IN URGENT ACCOMODATION OF INTOURIST'S SUPPOSED NEED FOR GROUND FLOOR EXPOSURE WHILE AMEXCO'S DESIRES FOR SIMILAR TREATMENT BY SOVIETS IS GIVEN SHORT SHRIFT, PARTICULARLY IF THIS WILL DEPRIVE AMEXCO OF WHAT LITTLE LEVERAGE IT HAS. IT HARDLY NEEDS TO BE SAID THAT INTOURIST IS NOT A FREE AGENT IN SOVIET DECISION-MAKING ON QUESTION OF RELOCATING ITS OFFICES IN NEWYORK; THERE ARE UNDOUBTEDLY OTHER

SOVIET ORGANS AND AGENCIES WHICH HAVE THEIR PREFERENCES AND SAY IN MATTER, AS WELL. IT SPITE OF FACT THAT WE HAVE NOT CHOSEN FORMALLY TO LINK INTOURIST AND AMEXCO REQUESTS, THE CONNECTION HAS BEEN MADE AND WE SHOULD BE IN NO HURRY TO EASE BURDEN ON SOVIETS WHO HAVE GIVEN US A RARE MOMENT OF LEVERAGE.

5. RECOMMENDED ACTION: EMBASSY STRONGLY URGES DEPARTMENT TO RECONSIDER ITS DECISION TO GRANT SOVIETS APPROVAL BY NO LATER THAN FEBRUARY 3 FOR INTOURIST TO RELOCATE ITS NEW YORK OFFICES. WE WOULD URGE AT A MINIMUM THAT LINE BE HELD UNTIL WE HAVE HAD A CHANCE TO REVIEW WHATEVER RESPONSE SOVIETS WILL MAKE TO ROBINSON LETTER. WE RECOMMEND FURTHER THAT SOVIET EMBASSY IN WASHINGTON BE APPRISED OF THIS CONDITION, IF DEPARTMENT CONCURS.

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6. TEDESCO HAS BEEN TOLD BY INTOURIST'S PROTOCOL DEPARTMENT THAT THEY ARE LOOKING INTO THE MATTER OF DEP. REP. MARSCHALKO'S DRIVER'S LICENSE WHICH IS NOW HELD BY POLICE (REFTEL C). TEDESCO HAS BEEN TOLD HE WILL HAVE WORD FROM INTOURIST SOMETIME THIS WEEK (JAN 30 - FEB 3). ON THAT MATTER.
MATLOCK

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Message Attributes

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Control Number: n/a
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Draft Date: 30 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MOSCOW01407
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780044-0390
Format: TEL
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978018/aaaaagjf.tel
Line Count: 142
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 46a3eae4-c288-dd11-92da-001cc4696bcc
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Secure: OPEN
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